



Child Development Division

MANAGEMENT BULLETIN

Subject: Application for Facilities Renovation and Repair Funds	No.: 02-04
Authority: California <i>Education Code</i> , Chapter 2, Section 8278, and 2001 Budget Act, Chapter 106, Item 6110-196-0001, Provision (2)(c)	Date: March 14, 2002
	Expires: June 30, 2002

ATTENTION: Executive and Program Directors with Executed California Department of Education Center-Based Service Contracts

IMPORTANT DATES

Application release date:	March 14, 2002
Application due date:	April 19, 2002
Random draw (if needed):	April 26, 2002
Final award posting:	May 3, 2002

Visit the Child Development Division's Web site at
<http://www.cde.ca.gov/cyfsbranch/child_development>
for additional information.

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• APPLICATION and ATTACHMENTS

1. PURPOSE OF THIS MANAGEMENT BULLETIN

This Management Bulletin announces the availability of \$5 million in Facilities Renovation and Repair (FRR) funds, and informs agencies of the eligibility and application requirements necessary to apply for these funds. Contractors serving State-subsidized families in center-based programs are eligible to apply for this funding. These funds provide agencies assistance in their efforts to maintain healthy and safe environments for children participating in State-subsidized programs.

2. BACKGROUND

California *Education Code (EC)* Section 8278 establishes the authority for the California Department of Education (CDE), Child Development Division (CDD), to allocate funding for one-time expenditures for activities that benefit children in subsidized child care and development programs. California *EC* 8278(b)(3) authorizes the use of these funds for deferred and major maintenance of existing facilities. Consistent with this Section, each fiscal year the Governor's Budget identifies the amount of funding available for distribution pursuant to *EC* Section 8278. The 2001 Budget Act authorized \$5 million for facilities renovations and repairs necessary to meet health and safety standards and to comply with the federal American with Disabilities Act (ADA) of 1990.

3. TERMS USED IN THIS MANAGEMENT BULLETIN

Definitions of terms used throughout this Management Bulletin follow in alphabetical order:

"adjusted certified enrollment"	Calculation of children enrolled using factors for special criteria recognizing different categories of children in a program
"application"	The application and required attachments described in this Management Bulletin
"CDE" (all caps)	California Department of Education
"cde" (all lowercase)	child days of enrollment
"certified enrollment"	Number of state subsidized children enrolled at a particular site
"child care and development facility"	Any residence or building or part thereof in which child care and development services are provided
"MRA"	Maximum Reimbursable Amount an agency is entitled to receive under its contract with CDE
"noncertified enrollment"	Number of unsubsidized children enrolled at a particular site

“playground”	An improved outdoor area that adjoins a child care or child development facility and is designed, equipped, and set aside for children’s play, including: 1) climbing structures and other stationary, outdoor play equipment, 2) surfacing, 3) fencing, 4) internal pathways, 5) internal land forms, 6) lighting, 7) benches, 8) shade, and 9) other related structures
“prorated portion”	The percentage of funding based on certified enrollment
“CDE contractor”	An agency that possesses a current, executed contract with CDE to provide center-based, child care and development services

4. PROGRAM INFORMATION

A. Eligibility/Who May Apply

Application for funding is limited to current CDE contractors administering one or more of the following CDD program types:

GCAM — Campus Child Care	GMIG — Migrant Child Care
GCTR — General Child Care	GPRE — State Preschool (Part-Day)
GHAN — Handicapped Child Care	GWAP — State Preschool (Full-Day)
GHUD — General HUD Child Care	FCTR — CCDF, Center Based
GLTK — Extended Day Care (Latchkey)	FHUD — Federal HUD Child Care

Agencies do not qualify for this funding if any of the following conditions exist:

1. The agency operates a non-qualifying CDE program. Examples of non-qualifying CDE programs include: Alternative Payment, California School Age Families Education (Cal-SAFE), After School Learning and Safe Neighborhoods Partnerships, Family Child Care Homes, Family Child Care Home Networks, and Resource and Referral.
2. The agency does not contract directly with CDE, but subcontracts with a CDE contractor to provide services for CDE subsidized children.
3. The contractor failed to reimburse CDE for amounts owed to CDE for unexpended FRR funding from prior contracts.

CDE reserves the right to reject any application based on a contractor’s failure to comply with contracted requirements in prior contracts or cooperative agreements with CDE.

B. Funding Levels

The following two factors determine the maximum amount of funding available to an eligible agency:

1. The contractor's total combined MRA for qualifying contracts (see table below).

Total Combined Agency MRA for Eligible Contract Types	Maximum Award Amount
\$0 to \$999,999	10% of total MRA not to exceed \$25,000
\$1,000,000 to \$2,499,999	Up to \$50,000
\$2,500,000 to \$4,999,999	Up to \$75,000
\$5,000,000 to \$7,499,999	Up to \$100,000
\$7,500,000 to \$9,999,999	Up to \$125,000
\$10,000,000 and over	Up to \$150,000

2. The percentage of the contractor's *adjusted certified enrollment* (see Application, page 2, Part IV).

CDD uses each contractor's total combined MRA for program types described in this bulletin and the contractor's *adjusted certified enrollment* to determine the maximum award amount a contractor is eligible to receive through this application process. Contractors may submit proposed projects for one or multiple sites. The Total Estimated Costs (TEC) for all sites must not exceed the maximum award amount. CDD applies the percentage of a contractor's adjusted certified enrollment to determine the prorated portion of funds awarded for approved estimated project costs. This prorated adjusted certified enrollment calculation is site specific. For example, if an applicant serves all subsidized children in their program at the proposed project site, the applicant receives 100% of estimated project costs for approved projects up to the maximum award amount. If an applicant serves a combination of subsidized and nonsubsidized children at the proposed project site, the applicant must complete a prescribed calculation (see the Application, Parts IV and V) to establish CDD's prorated portion of project costs for adjusted certified enrollment.

CDD recognizes the unique characteristics of School-Age Community Child Care Services (Latchkey) program requirements relating to limits of reimbursement and their effects on the prorated portion of project cost projections. Appropriate adjustments to the calculation of subsidized and nonsubsidized children in Part IV of the application take into account these enrollment limits.

The contractor's current enrollment at each individual site is the key factor in determining the prorated portion of project costs. Contractors cannot temporarily redirect children (physically or administratively) to other program sites in order to increase the percentage of certified enrollment factors at a particular site to allow for additional funding. CDD requires *applicants to maintain the enrollment documentation used to apply for funds with their contract to*

substantiate the certified enrollment information contained in the application. Auditors review enrollment calculations at the time the contract is audited.

The following example illustrates how the maximum award amount is determined and how the prorated portion for TECs by site are calculated when two or more sites are identified:

Example: The Cricket Child Development Center (CCDC) has a total combined MRA of \$2.5 million. Using the chart provided above, \$75,000 is the maximum award amount. The program operates on two separate sites. The percentage of CCDC's certified enrollment at Site 1 is 85 percent (.85). The certified enrollment at Site 2 is 100 percent (1.0). The center's Executive Officer estimates that repairs and renovations for allowable projects at each site include the following:

Sample Part V—Project Description and Estimated Costs Worksheet
Site#1 (85% certified enrollment)

A.	B.	C.	D.	E.
Project Type	Project Description	TEC	Times Percent of Certified Enrollment	Prorated Portion of TEC for Certified Enrollment
H	Replace malfunctioning heating & air conditioning system	\$9,875	.85	\$8394
H	Repaint classroom walls	\$2,629	.85	\$2,235
H	Replace broken toilets and chipped sinks in bathrooms	\$1,256	.85	\$1,068
H	Repair plumbing in walls and floor of classroom bathrooms; replace flooring; repair walls	\$15,224	.85	\$12,940
H	Remove asbestos in exterior classroom walls	\$19,742	.85	\$16,781
A	Install wheelchair ramp and landing at entrance	\$8,211	.85	\$6,979
This Shaded Section for CDE Use Only		F. Cost Summary Information		
CDD adjustments for projects not approved in this application for this site:		Subtotal for all "A" Projects	(1) \$8,211	(1) \$6,979
Total funds approved through this application for this site:		Subtotal for all "H" Projects	(2) \$48,726	(2) \$41,418
		TOTAL for all Projects	(3) \$56,937	(3) \$48,397

Sample Part V—Project Description and Estimated Costs Worksheet

Site #2 (100% certified enrollment)

A.	B.	C.	D.	E.
Project Type	Project Description	TEC	Times Percent of Certified Enrollment	Prorated Portion of TEC for Certified Enrollment
H	Replace four cracked windows	\$978	1.0	\$978
H	Repair food storage cabinet	\$559	1.0	\$559
H	Replace soiled/torn carpet	\$3,862	1.0	\$3,862
H	Repair leaking roof	\$2,477	1.0	\$2,477
A	Install wheelchair ramp and landing at entrance	\$8,244	1.0	\$8,244
This Shaded Section for CDE Use Only		F. Cost Summary Information		
CDD adjustments for projects not approved in this application for this site:		Subtotal for all "A" Projects	(1) \$8,244	(1) \$8,244
Total funds approved through this application for this site:		Subtotal for all "H" Projects	(2) \$7,876	(2) \$7,876
		TOTAL for all Projects	(3) \$16,120	(3) \$16,120

Contractors submitting requests for FRR projects at more than one site must complete a Multiple Site TEC Summary Worksheet (Part VI). The following example illustrates how the contractor completes the worksheet and how CDD confirms the proposed TECs for all projects are within the maximum award amount.

Sample Part VII--Multiple Site TEC Summary Worksheet for Example Site 1 and Site 2:

A.	B.	C.	D.	E.	F.
Site Application Number and Site Name	TEC for all "A" Projects	TEC for all "H" Projects	TEC for A and H Projects	Times Percent of Certified Enrollment	Prorated Portion of TEC for Certified Enrollment
1. Sample Site Number One	\$8,211	\$48,726	\$56,937	.85	\$48,397
2. Sample Site Number Two	\$8,244	\$ 7,876	\$16,120	1.00	\$16,120
Totals:	\$16,455	\$56,602	\$73,057		\$64,517

In the TEC Summary Worksheet example above, each numbered row represents the proposed projects for each site named in Column A. Columns B and C reflect TECs for types of projects by site, as described on the Project Description and Estimated Costs worksheet (Part V, Column C1 and/or Column C2). Column D represents the total of Column B and C for each row. CDD checks to ensure that the total TEC for all estimated project costs in Column D falls within the contractor's maximum award amount. In this example the contractor's maximum

award amount is \$75,000; the TECs for projects at two sites are \$73,057, within the appropriate maximum limits. Column E is the percent of certified enrollment from Part IV of the Application for each site. Column F represents the sum of each site's prorated portion (Column D times Column E equals Column F), and the grand total of funding requested for this application. If selected, the applicant would receive the total Prorated Portion of TEC for Certified Enrollment in Column F (not to exceed the maximum award amount). In this example, the contractor receives an award of \$64,517 for approved projects.

C. Use of Funds

CDD requires contractors to use the funds awarded through this Management Bulletin to accomplish deferred or major maintenance facility projects to bring facilities to compliance with the American with Disabilities Act of 1990 and the Title 22, Division 12 licensing requirements.

Under this Management Bulletin, use of these funds for repair and renovation of playgrounds is not allowed. CDD will release a separate announcement and application for funds available through Senate Bill 1703 for repair and renovation of playgrounds to bring playgrounds into compliance with the California Playground Safety Regulations (California Code of Regulations, Title 22, Division 4, Chapter 22).

Funding awarded through this application process must be dedicated to the approved projects and proposed project sites listed in the application. These sites must be licensed and currently serving children in center-based State-subsidized child care and development programs.

Examples of approvable projects:

1. **ADA Compliance:** Deferred and major maintenance projects to increase accessibility for children with disabilities in CDE/CDD programs. All ADA repairs or renovations submitted with this application must comply with the ADA Accessibility Guidelines for Buildings and Facilities. The ADA Accessibility Guidelines for Buildings and Facilities (ADAAG) Web site address is <<http://www.access-board.gov/adaag/html/adaag.htm>>.

Approvable ADA projects include, but are not limited to, the following:

- Remodel or replace bathroom lavatories, fixtures, or controls
- Repaint parking surface(s) to establish required ADA accessible parking spaces and access aisles in parking areas designated for CDE, CDD programs
- Purchase and install signs showing the symbol of accessibility
- Repair or install wheelchair access ramps, landings, surfacing, or transfer systems
- Repair or install elevated wheelchair access platforms
- Repair or install appropriate access routes
- Remodel door casings or replace doors impeding access
- Repair or purchase ADA compliant fixed storage equipment (cabinets, shelves, and closets)
- Remodel fixed or built-in seating or tables

2. **Health and Safety Compliance:** Repair or renovation of a child care facility to resolve either of the following:

- *Health and Safety Code* violation issued by the Department of Social Services, Community Care Licensing Division; CDE; or local fire or health department.
- *Health and Safety Code* violation or concerns that were revealed through an agency's internal, self-assessment program.

Eligible health and safety project examples include, but are not limited to:

- Repair or replace unsafe windows, doors, or floors
- Repair or replace unsafe carpet, linoleum, or tile
- Repair or replace unsafe appliances
- Repair or replace faulty electrical wiring
- Repair or install air conditioning or heating systems
- Repair unsafe sidewalks or parking lots
- Repair or install observation windows in infant centers
- Repair or install safety lighting
- Replace unsafe cubbies and storage cabinets
- Paint the building's interior or exterior walls
- Remove or replace wallpaper
- Industrial cleaning of facility

D. Funding Restrictions

Contractors cannot use FRR funds to accomplish any of the following outcomes:

1. Purchase, lease, or improve land
2. Purchase or construct a child care facility
3. Pay for a major improvement that increases the value of a child care facility
4. Pay for initial playground inspection conducted by a certified playground safety inspector
5. Pay for improvements to playgrounds or playground equipment
6. Purchase or repair playground equipment, or any items relating to playground areas
7. Reimburse an agency for expenses incurred in the preparation of this application

Other inappropriate uses of funds include, but are not limited to, the following:

1. Capital outlay projects
2. Modification of an existing facility to increase licensing capacity or program expansion
3. Purchase equipment or supplies to meet curriculum needs
4. Extension of sewer lines
5. Replace, relocate, or purchase portable buildings
6. Renovate libraries, staff rooms, or other areas that do not serve families or children
7. Expenses incurred for meetings, workshops, training, food, or beverages

8. Overhead expenses such as costs for rental/lease of space utilities, office supplies, and other miscellaneous project costs
9. Personnel costs
10. Interest charges or payments on bonds or indebtedness required to finance project costs
11. Bonus payments for early completion of work
12. Fines or penalties incurred for violation of federal, state, or local laws, ordinances, or regulations
13. Travel or per diem expenses
14. Costs connected with contractor claims against the grantee
15. Costs incurred prior to the execution of the Local Agreement for Child Development Services contract

E. Application Submission Requirements

1. Applicants must follow the format instructions and complete all sections of the application. State licenses, nonprofit organization certifications, and all other required attachments must be submitted with the application package.
2. Submit one (1) original and four (4) copies of the application to the address below:

**CDE Child Development Division
Facilities Renovation and Repair
MB 02-04
560 J Street, Suite 220
Sacramento, CA 95814**

Applications may be mailed or personally delivered to the above address.

3. **The applications must arrive in CDD no later than:**

**Friday, April 19, 2002
5:00 p.m.**

The sole responsibility remains on the applicant(s) to insure that CDD receives the required original and four (4) copies of their application by the stated deadline. CDD will disqualify incomplete or late applications and they will not be reviewed. Each application must be complete when submitted. No changes, modifications, corrections, or additions may be made to the application(s) once it has been received. **NO EXCEPTIONS WILL BE MADE.**

4. The signed certification contained in the application must be signed by authorized agents with the legal authority to commit the agency and its resources in a contractual agreement.
5. Applicants agree that in submitting an application, they authorize CDD to verify any and all claimed information and any references named in the application.

F. Cost of Developing the Application

The applicant accepts sole responsibility for all costs incurred in the development of its application. These costs are not reimbursable even if the contractor is awarded funds through this Management Bulletin.

G. Application Review Process

CDD will date and time stamp all applications upon receipt. Applications received no later than 5:00 p.m. on Friday, April 19, 2002, will be screened for completeness and compliance with the requirements outlined in this Management Bulletin. Applications that do not comply with submission requirements will be disqualified and ineligible for further review. Omission of any required document or form, failure to use required formats for response, or failure to respond to any requirements may lead to rejection of the proposal.

H. Appeal of Funding Decisions

Because the funding described in this Management Bulletin is for one-time-only funds and the award of funds is distributed through a noncompetitive process, the decision is final and not subject to appeal.

5. AWARD OF FUNDS

CDE reviews applications to ensure:

1. Applications comply with the instructions contained in the Management Bulletin,
2. Applicants are eligible for funding, and
3. Requested renovations and repairs fall within ADA or Health and Safety guidelines as described in Section C, Use of Funds. Only approved renovations and repairs will be funded.

CDE will fund as many applications as available funds permit. CDD will hold a random draw if funding requests exceed the funds available. A random draw determines the rank order in which funding is awarded to applicants if funds are insufficient to fund all of the applications received.

If a random draw process is necessary, the draw will take place in Sacramento on the following date and at the following location: **April 26, 2002, at 1:00 p.m., at 560 J Street, Suite 220, Sacramento, California, 95814.** CDD will alert applicants of the need for a random draw via the internet at CDD Web site listed on the front page of the Management Bulletin. The random draw process is open to the public to observe.

CDD notifies all applicants by mail of the funding results and posts the funding awards on CDD's Web site. CDD informs each applicant not selected for funding and provides an explanation and reason why the application was not funded.

The State reserves the right to negotiate the estimated project costs and scope of work and not award a contract if changes cannot be mutually agreed upon. If a successful applicant fails to finalize the contract, the State reserves the right to withdraw the award of funding.

In the event additional funding becomes available during the course of the budget year, those agencies that were not selected in the random draw will remain on an active funding list through the fiscal year 2002-2003. CDD may continue to fund projects from this list until all applications have been funded or the allocation of funds are exhausted, whichever occurs first.

CDE reserves the right to reduce funding awards so that FRR funds may be apportioned to as many eligible applicants as it deems to be in the best interest of the State.

6. PAYMENT PROVISIONS

Contractors selected for funding will enter into a separate contract (also known as a Local Agreement for Child Development Services) with the State of California. This contract specifies the performance period during which expenditures will be made and incorporates the information contained in the approved application. Any amendments to the contract requires prior written approval by CDE.

The contract performance period begins May 6, 2002, and ends June 30, 2004. Funding authority expires on June 30, 2004, for the funds distributed through this Management Bulletin. Therefore, all projects must be completed before June 30, 2004. CDE will not authorize requests to extend the performance period.

An agency may decline the funding award by notifying CDE and returning the contract unsigned.

CDE's Child Development Fiscal Services Unit (CDFS) will advance one hundred percent (100%) of the award to successful applicants upon receipt of a completed and signed contract. If the contractor is unable to expend the funds by the end of the performance period described in the contract, the contractor will be billed for the unspent amount. Any expenditure(s) that exceeds the amount of the award specified in the contract will be the responsibility of the contractor.

7. RESPONSIBILITIES ONCE THE CONTRACT IS AWARDED

For private agencies, all equipment purchases, exceeding five thousand dollars (\$5,000) will require at least three (3) bids or estimates. The contractor shall purchase the goods or services from the lowest responsible bidder. If three bids or estimates cannot be obtained, the contractor shall maintain adequate documentation of the reason(s) why three bids or estimates

could not be obtained (e.g., an emergency situation). Public agencies shall comply with applicable sections of the *Public Contract Code*.

Improvement of sites and adjacent grounds to meet or continue to meet Title 22, *California Code of Regulations*, Community Care Licensing Standards is reimbursable if the improvements do not unnecessarily increase the value of a facility. For private agencies, proposed work in excess of five thousand dollars (\$5,000), unless performed by contractor's staff, shall have at least three (3) bids or estimates and shall be awarded to the lowest responsible bidder. If three bids or estimates cannot be obtained, the contractor shall maintain adequate documentation of the reason(s) why three bids or estimates could not be obtained as well as the reasonableness of cost in the absence of competition. Public agencies shall comply with applicable sections of the *Public Contract Code*.

Private contractors shall obtain at least three (3) bids or estimates for subcontracts that exceed five thousand dollars (\$5,000). The subcontract shall be awarded to the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the private contractor shall maintain documents that establish the reasons why three bids or estimates could not be obtained and the reasonableness of the proposed expenditure without three bids or estimates. Public agencies shall award subcontracts in accordance with the *Public Contract Code*. The contractor shall not split subcontracts to avoid competitive bidding requirements. The budget for a proposed subcontract for renovation and repair shall show the total cost of labor and the total cost of materials. Contractors shall demonstrate that approval of the subcontract is cost effective to the state. For proposed renovation and repair subcontracts, private agencies shall maintain documents showing that the bidder selected by the contractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract.

The State does not assume any responsibility for performance of approved subcontracts nor does the State assume responsibility for any unpaid debt of the contractor resulting from subcontracting liens.

Subcontracts which increase the contractor's cost of performance are nonreimbursable. Subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-cost are nonreimbursable.

The agency must report expenditures to CDFS each fiscal year on form CDFS/CD 9529 and is subject to audit according to contract terms. Because the contract performance period will extend over two years, two audit periods may be affected. For information regarding the completion of form CDFS/CD 9529, please refer to the reverse side of form CDFS/CD 9529 and the School Accounting Manual.

The contractor and property owner must comply with their commitments to ensure the facilities benefiting from the use of the funds described in this Management Bulletin will be available for, and used to serve, subsidized children in a CDE child care and development funded program FOR AT LEAST THREE CONSECUTIVE YEARS from the date of contract completion.

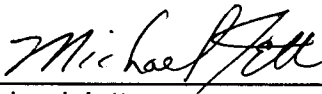
If the contractor voluntarily elects to move the program(s) benefiting from the funds described in this Management Bulletin to a new site, CDE will bill the contractor for an amount related to the portion of the three years the facility is not in use by a CDE program.

If the property owner requires a CDE contractor to vacate the site where the funding was expended, CDE will bill the property owner for an amount related to the portion of the three years that the facility is not available to a CDE program.

CDE will bill agencies for any unauthorized project expenditures or expenditures that exceed the prorated cost calculations described in this bulletin.

The total costs represented in the application are *estimated* project costs. CDD acknowledges that some adjustments to the proposed use of funds may be necessary after the contract is executed. If adjustments to the proposed estimated costs occur which result in a change in the scope of work or an increase in the project costs, a contract amendment is required before work commences. CDD will provide contractors information on how to request amendments to an executed contract in the written funding award notification.

If you have questions regarding this application, please contact Cheryl Umbay at (916) 445-4820.



Michael Jett
Director
Child Development Division



Kathy B. Lewis
Deputy Superintendent
Child, Youth and Family Services Branch

Attachment: FRR Application

This Management Bulletin is mandatory only to the extent that it cites a specific statutory and/or regulatory requirements. Any portion of this Management Bulletin that is not supported by a specific statutory and/or regulatory requirements is not prescriptive pursuant to Education Code 33308.5.